

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OKLAHOMA**

IN RE:)
)
SHEEHAN PIPE LINE CONSTRUCTION) **Case No. 16-10678**
COMPANY,) **(Chapter 11)**
)
Debtor.)
)

**TRUSTEE'S REPORT PURSUANT TO SECTION 3.4 OF THE LIQUIDATING TRUST
AGREEMENT FOR THE PERIOD APRIL 1, 2018 TO JUNE 30, 2018**

The Report, appended hereto as Exhibit "A," is submitted by the Trustee pursuant to Paragraph 3.4 of the Sheehan Pipe Line Construction Company Liquidating Trust Agreement, for the Period April 1, 2018 through June 30, 2018, including financial statements of the Liquidating Trust, Report of Receipts and Disbursements, and a summary description of actions taken. This Report is filed in addition to the standard Quarterly Post-Confirmation Operating Reports filed with the US Trustee.

Respectfully submitted,

/s/ Mary E. Kindelt
Gary M. McDonald, OBA No. 5960
Chad J. Kutmas, OBA No. 19505
Mary E. Kindelt, OBA No. 21728
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15 East Fifth Street, Suite 1400
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*Attorneys for the Sheehan Pipe Line
Liquidating Trust*

EXHIBIT “A”

UNITED STATES BANKRUPTCY COURT
DISTRICT OF _____

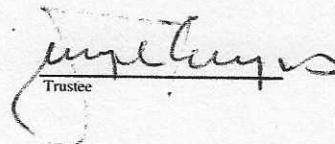
IN RE: Sheehan Pipe Line Construction Company Liquidating Trust } CASE NUMBER: 16-10678
} }
} } JUDGE
} }
DEBTOR. } CHAPTER 11

DEBTOR'S POST-CONFIRMATION
QUARTERLY OPERATING REPORT
FOR THE PERIOD

FROM April 1, 2018 TO June 30, 2018

Comes now the above-named debtor and files its Post-Confirmation Quarterly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

Dated: July 13, 2018



Trustee

Trustee's Address
and Phone Number:

Joseph Myers
c/o EisnerAmper LLP
111 Wood Avenue South
Iselin, NJ 08830-2700

Tel. 732-243-7387 - Jay Lindenberg, Director

Attorney's Address
and Phone Number:

McDonald, McCann, Metcalf & Carwile, LLP
Attn: Gary M. McDonald, Esq.
15 East 5th Street, Suite 1400
Tulsa, OK 74103
Bar No. 5960
Tel. 918-430-3700

Note: The original Post Confirmation Quarterly Operating Report is to be filed with the Court and a copy simultaneously provided to the United States Trustee. Operating Reports must be filed by the last day of the month following the reporting period.

For assistance in preparing the Post Confirmation Quarterly Operating Report, refer to the following resources on the United States Trustee website: <http://www.justice.gov/ust/r20/index.htm>.

- 1) Instructions for Preparing Debtor's Chapter 11 Post confirmation Quarterly Operating Report
- 2) Initial Filing Requirements
- 3) Frequently Asked Questions (FAQs)

Joseph E Myers
c/o TJOK LLC
1534 Laguna Drive
Point Pleasant NJ 08742
908.278.6764
Joetjok44@gmail.com

July 24, 2018

RE: Sheehan Pipe Line
Case No. 16-10678

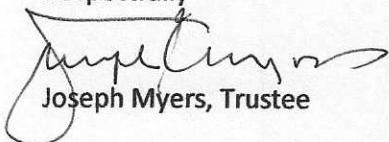
Dear Committee Members

In the second quarter of 2018, the Sheehan Pipe Line Liquidating Trust (the "Trust") consummated two significant settlements that the Trust had negotiated in the first quarter of 2018. The first settlement was between the Trust and Old Republic General Insurance Co. ("ORGenco"), which was Sheehan Pipe Line Construction Co.'s (the "Debtor") workers' compensation, general liability and automobile liability insurer. The Trust's settlement with ORGenco generated \$2.45 million in cash that ORGenco transferred to the Trust. The second settlement was between the Trust and Zurich American Insurance Co. ("Zurich"), which was the Debtor's workers' compensation and general liability insurer for periods predating the Debtor's relationship with ORGenco. The Trust's settlement with Zurich generated \$450,000 in cash that had been held by Wells Fargo N.A. pending a resolution of the negotiations between the Trust and Zurich.

The \$2.9 million that the Trust generated from the ORGenco and Zurich settlements allowed the Trust to make a first interim distribution to holders of allowed unsecured claims against the Debtor's estate. The first interim distribution – which the Trust made on or about May 30, 2018 – was in the amount of 2.5% to each holder of an allowed unsecured claim. The Trust also made distributions of 2.5% to a disputed claims reserve for those claimants whose unsecured claims are not yet allowed because they are "Disputed Claims" under the Debtor's chapter 11 plan.

In the second quarter of 2018, the Trust also reached a settlement with Texas Eastern Transmission LP on the amount of its unsecured claim, which settlement freed up a material amount of cash from reserves held by the Trustee. The Trust also continued to pursue litigation against various affiliates of Energy Transfer Partners ("Energy Transfer") in the second quarter, both (i) affirmative litigation to recover money, and (ii) objecting to unsecured claims filed by Energy Transfer affiliates against the Debtor's estate. The Trust expects to announce a global resolution of disputes with Energy Transfer as part of the third quarter 2018 report. Finally, the Trust continues to pursue certain avoidance action claims against third parties and has begun reaching settlements of certain of those matters

Respectfully


Joseph Myers, Trustee

~ Exhibit A ~
Cash Receipts and
Disbursements

MONTHLY OPERATING REPORT -
POST CONFIRMATION

ATTACHMENT NO. 2

CHAPTER 11 POST-CONFIRMATION
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Case Name:	Sheehan Pipe Line Construction Company Liquidating Trust
Case Number:	16-10678
Date of Plan Confirmation:	January 9, 2017

All items must be answered. Any which do not apply should be answered "none" or "N/A".

1. CASH (Beginning of Period)

	Quarterly	Post Confirmation Total	
	\$ 1,438,893.90	\$	A

2. INCOME or RECEIPTS during the Period

\$ 2,541,056.66	\$ 8,970,744.18	A
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3. DISBURSEMENTS

a. Operating Expenses (Fees/Taxes):

- (i) U.S. Trustee Quarterly Fees
- (ii) Federal Taxes
- (iii) State Taxes
- (iv) Other Taxes

\$ 1,625.00	\$ 32,500.00
0.00	98414.51
0.00	11846.10
0.00	0.00

b. All Other Operating Expenses:

\$ 411,437.33	\$ 2,285,270.04
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c. Plan Payments:

- (i) Administrative Claims
- (ii) Class One - CAT Secured Claim
- (iii) Class Two - Zurich Secured Claim
- (iv) Class Three - Midwestern Manufacturing Company
- (v) Class Four - Other Secured Claims
- (vi) Class Five - Priority Claims
- (vii) Class Six - Priority Tax Claims
- (viii) Class Seven - Small Creditors
- (ix) Class Eight - General Unsecured Claims
- (x) Class Nine - Collaterally Funded Claims
- (xi) Class Ten - Subordinated Claims
- (xii) Class Eleven - Partnership Interests

(Attach additional pages as needed)

\$ 0.00	\$ 0.00
0.00	0.00
650,337.56	650,337.56
0.00	0.00
0.00	1,358.44
0.00	1,290,316.95
0.00	969,421.08
0.00	9,728.83
491,163.79	1,196,163.79
0.00	0.00
0.00	0.00
0.00	0.00

Total Disbursements (Operating & Plan)

\$ 1,554,563.68	\$ 6,545,357.30
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1. CASH (End of Period)

\$ 2,425,386.88	\$ 2,425,386.88
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A - The Beginning cash balance was increased by \$25,797.61 in the Quarterly period since the prior quarterly report included disbursements that had not yet cleared as of the end of the first quarter. This decreased the ending cash balance for the 1st Qtr 2018. In order to correctly record the ending cash balance at 6/30/2018, the beginning cash balance was increased for \$25,797.61 in the quarterly period column and increased for the same amount in Income or Receipts in the Post Confirmation period column.

~ Exhibit B ~
Financial Statements

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Accrual Basis

Sheehan Pipe Line Liquidating Trust
Profit & Loss
April through June 2018

	Apr - Jun 18
Ordinary Income/Expense	
Expense	
Bank Service Charges	350.30
Class 8/9 Distribution	491,163.79
Insurance Expense	0.00
Internet Expense	412.32
Professional Expenses	
Financial Advisors Expenses	75.90
Trustee's Expenses	277.13
Professional Expenses - Other	19,138.13
Total Professional Expenses	19,491.16
Professional Fees	
Financial Advisor Fees	22,365.00
Professional Fees - Other	21,898.84
Trustee Fees	19,450.00
Professional Fees - Other	286,591.05
Total Professional Fees	350,304.89
Settlement Expense - Zurich	650,337.56
Storage Expense	2,250.00
U.S. Trustee Quarterly Fees	1,625.00
Total Expense	1,515,935.02
Net Ordinary Income	-1,515,935.02
Other Income/Expense	
Other Income	
Interest Income	1,661.29
Misc. Income	1,800.00
Total Other Income	3,461.29
Net Other Income	3,461.29
Net Income	-1,512,473.73

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Accrual Basis

Sheehan Pipe Line Liquidating Trust
Balance Sheet
As of June 30, 2018

	<u>Jun 30, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
American Bank & Trust Co. 74112	6,663.09
American Bank & Trust Co. 76414	8,947.75
Bank of Oklahoma - xx7655	<u>2,409,776.04</u>
Total Checking/Savings	<u>2,425,386.88</u>
Accounts Receivable	
Accounts Receivable	<u>2,818.75</u>
Total Accounts Receivable	<u>2,818.75</u>
Other Current Assets	
Preference Recovery Receivables	<u>6,962,404.63</u>
Total Other Current Assets	<u>6,962,404.63</u>
Total Current Assets	<u>9,390,610.26</u>
TOTAL ASSETS	<u>9,390,610.26</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	<u>68,551.50</u>
Total Accounts Payable	<u>68,551.50</u>
Other Current Liabilities	
Class 4 Other Secured Claims	44,458.74
Class 8 - General Unsecured	15,496,092.63
Class 8/9 - GUC Reserve	<u>48,929,374.64</u>
Total Other Current Liabilities	<u>64,469,926.01</u>
Total Current Liabilities	<u>64,538,477.51</u>
Total Liabilities	<u>64,538,477.51</u>
Equity	
Members Equity	-1,691,069.23
Opening Balance Equity	-51,777,066.25
Net Income	<u>-1,679,731.77</u>
Total Equity	<u>-55,147,867.25</u>
TOTAL LIABILITIES & EQUITY	<u>9,390,610.26</u>